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Report Highlights:

*Bumper rice crop *Vietnam exports 3.6 million tons of rice *Tra fish exporters expect high revenues *Recognizing consumer differences key to successful marketing in Vietnam: Nielsen *Boosting pepper cultivation *Asian Development Bank offers loan for crop improvement & clean energy

General Information:

Welcome to "News Summary" from Vietnam, an occasional summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Vietnam, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues may be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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Author Defined:

Bumper rice crop

Farmers nationwide have harvested a winter-spring rice crop totaling over 18.6 million tons, a rise of 312,000 tons over the previous season's crop, according to the Ministry of Agriculture and Rural Development.

The total area under rice cultivation this season reached nearly 3.1 million hectares.

Favorable weather conditions and improved cultivation and disease control methods over the past growing season encouraged farmers in northern provinces to cultivate more than 1.15 million hectares, reaping a harvest of over 6.8 million tons, up 120,000 tons from the last crop.

Southern farmers have also recorded increases, with the Mekong Delta region harvesting 9.8 million tons of rice, an increase of 23,000 tons over the previous crop.

VietNamNet/Vietnam News July 01, 2009

Vietnam exports 3.6 million tons of rice

Vietnam has exported around 3.6 million tons of rice during the first six months of this year, said the Vietnam Food Association (VFA).

Local enterprises have plans to ship around 650,000 tons to overseas markets in June, VFA said. Through June 12, Vietnam exported nearly 3.3 million tons of rice that reached US\$1.3 billion in turnover.

Saigon Times Daily June 30, 2009

Tra fish exporters expect high revenues

The Vietnam Association of Seafood Exporters and Producers (VASEP) expects up to US\$1.3 billion in tra fish exports this year, due to optimistic signals from the export market. Russia has recently imported tra fish from Vietnam after several months of suspension, while exports of the fish products to the United States and some new markets have also increased strongly, said the VASEP general secretary.

Russia will stop importing fish from Chile, Canada, and China next month, which is a good chance for Vietnam's seafood exporters, VASEP added.

Despite the anti-dumping tariffs in the USA, Vietnam earned US\$46 million in tra fish exports to the United States over the first five months of 2009, a 60 percent year-on-year increase.

Saigon Times Daily June 30, 2009

Recognizing consumer differences key to successful marketing in Vietnam: Nielsen

Key differences in consumers' outlook and their attitudes toward life warrant product concepts and marketing strategies that are specific to different regions of the country, marketing experts say.

Asha Phillips, Marketing and Communications Manager, Vietnam, for marketing research firm Nielsen, said yesterday that recognizing and responding to the difference will help Vietnamese brands position themselves far more effectively in the Vietnamese consumers' minds.

The differences between consumers in Vietnam's two economic hubs - Hanoi and Ho Chi Minh City (HCMC), are manifested in their brand choice, decision-making, shopping habits, and confidence levels, it said

In HCMC, individualism is dominant as people care less about other's opinions, an intensive cross region study carried out in April and May 2009 showed.

When it comes to making purchasing decisions, their own desires and needs are the biggest influence, the study said. HCMC residents are more open to change and like to try new things and as a result are a mixed consumer group, it added.

On the other hand, the study pointed out the homogeneity of consumers and a collective spirit in Hanoi where people listen to their peers and are influenced by their opinions and recommendations, with social conformity accorded high priority.

The study also pointed out that Hanoians are complex consumers, saying they want to be noticed and impress their friends, but want to do so without breaking what is socially acceptable.

The study stressed a major difference in planning between people of the two cities.

Saigonese live for the moment and plan little for the future compared to Hanoians, it said. Hanoians save their money for the future, while Saigonese will spend it to get what they need today and worry about tomorrow later.

According to Nielsen's Personal Finance Monitor 2008, consumers in Saigon are more willing to take out loans from the bank or other financial institutions; while more than half (57 percent) of Hanoians are not willing to borrow.

This can be attributed to a more collective spirit in Hanoi, whereby consumers are more conscious of and influenced by what other people think of them - and in the eyes of Hanoians, having to rely on an institution to take out a loan to purchase something may result in "losing face," the research found.

"Despite a tougher economy, Hanoians are keen on keeping up with the latest trends and are still willing to spend on what some would classify as 'nice to have' or 'luxury' products," said Aaron Cross, Managing Director of Nielsen Vietnam.

On the other hand, the firm said Saigonese are impulse buyers - they buy what they need at the time they need it.

They still like premium products, but 48 percent of those surveyed say they believe premium products are for people who want to "show off"; and they would rather spend their money on necessary items, Nielsen said.

"Brands in Vietnam need to adopt different product concepts and marketing strategies for the two cities: one size will not fit all across Vietnam," said Cross.

Thanh Nien June 30, 2009

Boosting pepper cultivation

Vietnam aims to increase pepper cultivation acreage to 52,000ha by 2010, Bui Ba Bong, Deputy Minister of Agriculture and Rural Development (MARD), announced yesterday.

Bong told participants that the Government has decided to invest VND 34.3 trillion (US\$1.9 billion) in further development of pepper cultivation. Under the plan, Vietnam will export 140,000 tons of pepper by 2010. "Vietnam currently has 13 pepper processing plants with a capacity of 60,000 tons per annum," said Hoa.

Vietnam grows two varieties of peppers - black peppers and white peppers. First quarter statistics released by the General Department of Customs for 2009 show that Vietnam exported 27,075 tons of peppers, 3,926 tons of white and 23,149 tons of black, earning about \$258 million.

The United States, Germany, and the United Arab Emirates are Vietnam's major pepper importers.

Vietnam News July 01, 2009

Asian Development Bank offers loan for crop improvement & clean energy

The Asian Development Bank (ADB) will grant Vietnam a US\$95 million loan for a project to improve the safety and quality of food crops and to provide biogas for household use, following a deal recently inked between the ADB and the State Bank of Vietnam, Nguoi Lao Dong reports.

The project is aimed at improving food regulations and quality control systems to ensure the safety and quality of food products for domestic consumption and export, and at building biogas facilities to reduce health hazards from livestock waste and provide an alternative energy source for some households.

Saigon Times Daily July 02, 2009